Canadian Media, the Digital Economy & Trade
ALYSON WALKER
Vice-President, Brand Partnerships – Bell Media
TODAY

1. Canadian Media
2. Digital Economy
3. Digital Trade & NAFTA
4. The Bell Perspective
1. CANADIAN MEDIA
Canada’s **LARGEST**
Communications company
Consistently invest more than any competitor in innovation
Employ over 51,000 people
Provide a **ground-breaking** suite of broadband communications and content services to consumer, residential, business, not-for-profit and government customers.
Bell

Fibre-based IPTV
high-speed internet
home phone
4G LTE and LTE Advanced wireless
Business network and communications services
Premier multimedia company
Over 31,000 advertising faces

More than 200 websites

50 apps

105 terrestrial radio stations

50+ digital stations

2 conventional stations

4 pay TV services

34 specialty channels

28 local TV stations

2 conventional stations

4 pay TV services

34 specialty channels

28 local TV stations

10 terrestrial radio stations

50 digital stations

50 apps

More than 200 websites
THE CANADIAN MEDIA LANDSCAPE
TRADITIONAL MEDIA

CBC

ROGERS

QUÉBECOR

CORUS
SOCIAL MEDIA
STREAMING SERVICES
OTHER STAKEHOLDERS

Government
- Canadian Heritage
- Canadian Media Fund
- The CRTC

Associations
- Canadian Broadcast Standards Council
- Canadian Association of Broadcasters
- Canadian Media Producers Association

Acts
- The Broadcasting Act
- The Investment Canada Act
- The Copyright Act
2. DIGITAL ECONOMY
DEFINITION 1

Forbes

The culmination of the explosion in consumer connectivity is the Digital Economy
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1/2 of the world’s population is online/mobile
DEFINITION 1

Forbes

The culmination of the explosion in consumer connectivity is the Digital Economy

1/2 of the world’s population is online/mobile

1/3 of the world’s population are on social networks
DEFINITION 2

Deloitte

The economic activity resulting from billions of online connections among:
DEFINITION 2

Deloitte

The economic activity resulting from billions of online connections among:

↓

People
DEFINITION 2

Deloitte

The economic activity resulting from billions of online connections among:

↓  ↓
People Businesses
DEFINITION 2

Deloitte

The economic activity resulting from billions of online connections among:

- People
- Businesses
- Data
DEFINITION 2

Deloitte

The economic activity resulting from billions of online connections among:

- People
- Businesses
- Data
- Devices
The economic activity resulting from billions of online connections among:

- People
- Businesses
- Data
- Devices
- Processes
DEFINITION 3

Don Tapscott

The Age of Network Intelligence is an all encompassing and revolutionizing phenomenon fuelled by the convergence of advancements in human communication, computing and content, to create the interactive multimedia and the information highway
Forbes June 2016

$3\text{ trillion +}

30% of the S&P 500

6x US trade deficit
$3 trillion+

30% of the S&P 500

6x US trade deficit

> GDP of the UK
THE EVOLUTION OF THE DIGITAL ECONOMY
THE EVOLUTION OF THE DIGITAL ECONOMY

PHYSICAL CONNECTIVITY
Industrial Economy

VIRTUAL CONNECTIVITY
Digital Economy
A 4TH INDUSTRIAL REVOLUTION OR A DISTINCT REVOLUTION?

STEAM POWER → ELECTRIC POWER → IT-RELATED AUTOMATION → DIGITAL TECHNOLOGIES & AN OPEN INTERNET
A 4TH INDUSTRIAL REVOLUTION OR A DISTINCT REVOLUTION?

CLOUD COMPUTING

SOCIAL MEDIA

BROADBAND INTERNET

THE

BIO TECHNOLOGY

WIRELESS TECHNOLOGY

ADVANCED ROBOTICS

3D PRINTING

ADVANCED ANALYTICS

VR & AR

DIGITAL TECHNOLOGIES & AN OPEN INTERNET
Cross border data flows already make a larger contribution to global GDP than the goods trade.
POTENTIAL THREATS TO DIGITAL GLOBALIZATION

1. Data localization requirements
2. General barriers to the free cross-border flow of data
3. National standards of data privacy
CANADA &
THE DIGITAL ECONOMY
CANADA & THE DIGITAL ECONOMY

ROBUST
CANADA &
THE DIGITAL ECONOMY

ROBUST + DIVERSE ECONOMY
CANADA & THE DIGITAL ECONOMY

ROBUST + DIVERSE ECONOMY = INNOVATION
Create conditions for success in developing innovative goods & services
Position ourselves to take full advantage of digital tools to boost prosperity at home.
Re-examine how we structure our businesses to be competitive in the Digital Economy.
3. DIGITAL TRADE & NAFTA
DIGITAL TRADE

Crucial for all firms that rely on online platforms to connect and trade with customers globally.
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Information, goods, and services traverse political boundaries more frequently/easily than ever before.
TYPES OF DIGITAL TRADES
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1. TRADE IN VIRTUAL MARKETS
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1. TRADE IN VIRTUAL MARKETS
2. TRADE IN SERVICES
TYPES OF DIGITAL TRADES

1. TRADE IN VIRTUAL MARKETS
2. TRADE IN SERVICES
3. TRADE IN SMALLER TASKS OR INPUTS
TYPES OF DIGITAL TRADES

1. TRADE IN VIRTUAL MARKETS

2. TRADE IN SERVICES

3. TRADE IN SMALLER TASKS OR INPUTS

4. TRADE IN DIGITAL PRODUCTS
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1. TRADE IN VIRTUAL MARKETS
2. TRADE IN SERVICES
3. TRADE IN SMALLER TASKS OR INPUTS
4. TRADE IN DIGITAL PRODUCTS
5. TRADE IN DIGITAL PRODUCTS DELIVERED ELECTRONICALLY
TYPES OF DIGITAL TRADES

1. TRADE IN VIRTUAL MARKETS
2. TRADE IN SERVICES
3. TRADE IN SMALLER TASKS OR INPUTS
4. TRADE IN DIGITAL PRODUCTS
5. TRADE IN DIGITAL PRODUCTS DELIVERED ELECTRONICALLY
6. TRADE IN PHYSICAL PRODUCTS DELIVERED ELECTRONICALLY
NAFTA 1.0 @ 1994

DID NOT INCLUDE
NAFTA 1.0 @ 1994

DID NOT INCLUDE

- The Internet
- Online Marketplaces
- The Cloud
- The App Economy
- The Sharing Economy
- Smart Manufacturing
- The Internet of Things
- Artificial Intelligence
- Precision Agriculture
- Machine Learning
NAFTA 2.0 & DIGITAL TRADE

DATA FLOWS & DIGITAL SERVICES
NAFTA 2.0 & DIGITAL TRADE

INCLUDE A DIGITAL TRADE/E-COMMERCE CHAPTER WITH PROVISIONS TO MAINTAIN AN OPEN INTERNET
NAFTA 2.0 & DIGITAL TRADE

INCLUDE A DIGITAL TRADE/E-COMMERCE CHAPTER WITH PROVISIONS TO MAINTAIN AN OPEN INTERNET

IP RIGHTS
NAFTA 2.0 & DIGITAL TRADE

- Include a digital trade/e-commerce chapter with provisions to maintain an open internet
- Update to ensure rules work for the digital economy
Canada stands to benefit from a re-negotiated NAFTA that better reflects our current businesses and economy.
Key opportunity to address Canada’s needs on:

2.

E-commerce
IP rights
Movement of people across borders
Regulating cross-border data flows
Canada depends on digital connectivity in all areas of our economy:

- Payroll systems
- Oil pipeline pressure sensors
- Export of digital products
- Small businesses reaching global markets
- Autonomous vehicle tech & software
THE TPP & DIGITAL TRADE
PROMOTING THE DIGITAL ECONOMY THROUGH A FREE AND OPEN INTERNET AND COMMERCE WITHOUT BORDERS
The E-commerce Chapter
the most modern and comprehensive approach to data liberalization to date.
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- Preventing Data Localization
- Prohibiting Digital Customs Duties
- Enabling Cross-border data flows
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- Preventing Data Localization
- Prohibiting Digital Customs Duties
- Enabling Cross-border data flows
- Sustaining cybersecurity & encryption
- Barring forced technology transfers
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- Preventing Data Localization
- Prohibiting Digital Customs Duties
- Enabling Cross-border data flows
- Sustaining cybersecurity & encryption

- Barring forced technology transfers
- Preserving standardization and global interoperability
- Promoting copyright protections and important exceptions & limitations
4.

BELL & NAFTA
Our Goal

Share our views on ways the Government can maximize benefits to Canadians, including contributing to innovation, jobs and growth in the Canadian economy, through the review and modernization of NAFTA.
Core Principles

1. Establish a level playing field when Canadian companies compete in NAFTA countries against NAFTA partners
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2. Protect the integrity and seamless functioning of the digital marketplace
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1. Establish a level playing field when Canadian companies compete in NAFTA countries against NAFTA partners.

2. Protect the integrity and seamless functioning of the digital marketplace.

3. Maintain a balanced approach to copyright and broadcasting.
1. A LEVEL PLAYING FIELD IN TELECOMMUNICATIONS
Canada mandates access to tariffed rates for broadband networks
Canada mandates access to tariffed rates for broadband networks

These networks power Canada’s digital economy for decades to come
Canada mandates access to tariffed broadband networks

Canadian telcos invest more/sub in our networks than telcos in other countries
Canada mandates access to tariffed a broadband networks

Canadian telecoms invest more/sub in our networks than telecoms in other countries

The Government must protect these telecom investments and the skilled, high-paying middle class jobs they support
Canada mandates access to tariffed broadband networks

Canadian telecoms invest more/sub in their networks than telecoms in other countries

Mandating access to networks built with private investment reduces investment in digital infrastructure
Canada mandates access to tariffed a broadband networks

Canadian telecoms invest more/sub in their networks than telecoms in other countries

Mandating access to networks built with private investment reduces investment in digital infrastructure

Amend Article 1302 “parties that choose to mandate wholesale network access at tariffed rates are not required to make that access available to companies from another party”
2. SUPPORT FOR THE DIGITAL MARKETPLACE
Protect innovation for those that provide networks and services in the digital economy.
Protect innovation for those that provide networks and services in the digital economy

Protect the existing exemptions in the Canadian Copyright Act in the NAFTA negotiations
Protect innovation for those that provide networks and services in the digital economy

Allow Canadian communication companies to take advantage of greater efficiencies in service innovation
Protect innovation for those that provide networks and services in the digital economy

Allow Canadian communication companies to take advantage of greater efficiencies in service innovation

Do not agree to changes that would provide for financial liability for intermediaries such as ISPs if they comply with appropriate legal and regulatory conditions
3. APPROACH TO COPYRIGHT & BROADCASTING
Canadian Culture
Canadian Culture

1. Reward Canadian Creators

2. Foster increased re-investments
Copyright

1. Protection & Enforcement
   - Article 1715

2. Criminal Provisions
   - Article 1717

3. Block VPNs
Canadian Culture

Copyright

A Modern Broadcasting Arrangement
Canadian Culture

Copyright

A Modern Broadcasting Arrangement

1. Canadian Broadcaster Advantage
   - Income Tax Act: Section 19.1

2. Retransmission
   - Copyright Act: Section 31

3. Simultaneous Substitution
Creative Canada Policy Framework

1. Investing in Canadian creators, cultural entrepreneurs and their stories
   - New funds into CMF
   - Modernize CAVCO
   - Cultural Spaces Fund
   - Review Copyright Act
   - Support minority & indigenous creators

2. Promoting discovery and distribution for Canadian content at home and abroad
   - Netflix to spend $500M
   - Review Broadcasting Act
   - Creative Export Strategy
   - A/V Co-production treaties

3. Strengthening public broadcasting and supporting local news
   - Future of CBC
   - Supporting Local News
We believe, in the areas of innovation, investment & copyright, Canada has a unique opportunity to address important American trade interests in a manner that will support jobs and competitiveness in the Canadian economy.
THANK YOU!
 SOURCES

The Conference Board of Canada
C.D Howe Institute
McKinsey & Company
Forbes
Deloitte
The Globe & Mail
Maclean’s
Ipsos
Internet Association
The Bank of Canada Review
Canadian Heritage
Dentons.com
Foreignaffairs.com
Policyoptions.irpp.org
Ustr.gov
ICTSD

Redesigning Canadian Trade Policies for New Global Realities